(d) if so, the date *since* when such gap has been existing in the above States?

THE MINISTER OF STATE IN THE MINISTRY OF POWER {SHRIMATI JAYAWANTI MEHTA): (a) to (c) Yes, Sir. The demand for electricity is more than the supply in the National *Capacity* Territory of Delhi and States of Punjab and Tamil Nadu. The details of requirement and availability of energy in million units (MU) and peak demand requirement and peak demand met in Mega Watts (MW) for the last 3 years are given below:

State	Energy (MU)			Peak Demand (MW)		
	97-98	98-99	99-2000	97-98	98-99	99-2000
DELHI						
Requirement	14952	16500	17635	2450	2703	2850
Availability	14676	16184	17141	2283	2484	2498
Shortage	276	316	494	167	219	352
(%) Shortage	1.8	1.9	2.8	6.8	8.1	12.4
PUNJAB						
Requirement	22100	24884	26335	4130	4451	5029
Availability	21928	24340	26164	4130	4451	5029
Shortage	172	*544*	171	0	0	0
(%) Shortage	0.8	2.2	0.6	0	0	0
TAMILNADU						
Requirement	37870	37706	38873	5754	5950	*6446*
Availability	32550	33268	35797	4622	5190	5640
Shortage	5320	4438	3076	1132	760	806
(%) Shortage	1.4	11.8	7.9	19.7	12.8	12.5

(d) Delhi, Punjab and Tamil Nadu have been experiencing power shortage of varying degrees for more than a decade.

Investment in Power Sector

427. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of POWER be pleased to state:

(a) whether Government's attention has been drawn to the observations of Confederation of Indian Industry that power sector has not seen domestic or foreign investment fructifying due to lack of a clear and transparent policy;

(b) if so, what is Government's reaction thereto; and

(c) what steps are proposed to be taken to remove all bottlenecks to make investment in power sector attractive?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) The Government is in receipt of the Confederation of Indian Industries (CII) report on Independent Power Producers (IPPs).

(b) and (c) The reasons for adequate domestic or foreign investment not fructifying in the power sector is not lack of a clear and transparent policy, but various other factors, primary among which is the poor financial health of most of the State Electricity Boards who do not have the financial capability to support more than a few projects in terms of regular payment of bills of electricity purchased by them from IPPs. The poor financial health of the State Electricity Boards and the insistence by lenders on strong payment security packages has been the main problem in the private power projects achieving financial closure. With a view to finding a solution to this problem and to simplify/decentralise the procedure for clearance of private power projects and to attract more investment in the power sector, the Government has already initiated several measures which include:—

— minimising the number of clearances required to be obtained for the purpose of appraisal of the private power projects by Central Electricity Authority (CEA).

— minimising the role of the Foreign Investment Promotion Board by providing for automatic approval for foreign equity in selected categories and enlarging the provisions for automatic approval for such projects and liberalisation of the Foreign Direct Investment regime by removal of the upper limit for foreign direct investment in respect of projects relating to electric generation, transmission and distribution (other than atomic reactor power plants).

— delegating more powers for environmental clearance to State Governments.

— raising the financial limits for power projects which require the clearance from CEA.

— preparation of a shelf of projects to facilitate early execution and reduction of time required for implementation.

— close monitoring at various levels to expedite clearances, remove bottlenecks and to resolve the 'last mile' problems in achieving financial closure.

— The Electricity Regulatory Commissions Act, 1998 has been enacted which enabled setting up of the Centra! Electricity Regulatory Commission and the State Electricity Regulatory Commissions to ensure complete transparency in decision making. Eleven States have set up Regulatory Commissions and three States have notified the Commissions.

— The Electricity Laws Amendment, Act, 1998 was enacted to make transmission a distinct activity for encouraging greater private participation.

— A policy on Hydro Power Development has been initiated for accelerating the pace *of* hydro power development in order to exploit the vast hydro-electric potential at faster pace, increase the private investment and promote small and mini hydel projects.

— The development of mega power projects at mine pit-heads and coastal locations both in public and private *sector with* transmission facilities for evacuation of power to other regions.

— Exploring Alternative Security Mechanisms for financing power projects in the private sectors.

Rating for REC

428. SHRI K. RAMA RAMAMOHANA RAO: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the Rural Electrification Corporation (REC) has been awarded rating *of* "AAA" by CRISIL, to its Rs, 15 billion bond programme; and

(b) if so, what arc the other programmes undertaken by REC, and their rating and their evaluation?

THE MINISTER OE STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) and (b) Yes, Sir. Rural Electrification Corporations Market Borrowing Programme of Rs. 15 billion during 2000-2001 has been awarded a rating of "AAA" by CRISIL. Apart from this Market Borrowing
Programme, no other programme has been rated.